



**North Carolina Department of Health and Human Services
Division of Mental Health, Developmental Disabilities and Substance
Abuse Services**

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Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

Mike Moseley, Director

October 25, 2004

MEMORANDUM

To: Legislative Oversight Committee Members
MH/DD/SAS Commission
Consumer/Family Advisory Committee Chairs
Advocacy Organizations and Groups
North Carolina Association of County Commissioners
County Managers
County Manager Chairs
North Carolina Council of Community Programs
Area Program Directors
Area Program Board Chairs
Provider Organizations
MH/DD/SAS Professional Organizations and Groups
MH/DD/SAS Stakeholder Organizations and Groups
Other MH/DD/SAS Stakeholders
State Facility Directors

From: Mike Moseley

Re: Communication Bulletin # 028
Cherry Hospital-O'Berry Center
Alliance Adjustments



In January 2004 the Department of Health and Human Services announced that Cherry Hospital and O'Berry Center would enter into an alliance of administrative and clinical services. The two campuses are located literally across the street from each other and numerous studies have indicated that certain functions could operate in a much more cost-efficient manner if a single work unit served both facilities. In addition, the alliance of the two institutions serving different disability populations offered an opportunity to improve services to consumers who are mentally retarded and also have severe mental illness.

Under the leadership of Dr. Jerry Lyall, Director of O'Berry Center, the two institutions have combined a number of administrative activities, including administrative services, budget and human resources. In addition, planning has taken place to begin designing best practice services for individuals with mental retardation and mental illness. However, as planning around allying clinical services has occurred, we have encountered some issues that have caused us to rethink our approach.

In order to ensure that the unique clinical services offered by each institution remain stable and continue to meet the mental health and developmental disability needs of consumers, we have decided to discontinue the current efforts to blend the clinical components of the two institutions. Effective today, Dr. James Osberg has been assigned as the Interim Director of Cherry Hospital. In that role he will be responsible for all clinical and patient care activities at Cherry Hospital. Dr. Jerry Lyall will continue to be the Director of O'Berry Center, responsible for all clinical services at that institution. Dr. Lyall and Dr. Osberg will jointly oversee the allied administrative and support functions of the two facilities. In addition, they will jointly work on the development of the developmental disability and mental illness specialized services to be operated by O'Berry Center.

All plans for the alliance of additional functions and services at Cherry Hospital and O'Berry Center have been suspended. After Dr. Osberg has had the opportunity to become fully familiar with the staff, consumers and services at Cherry Hospital, we will ask him to work with Dr. Lyall to determine if any additional functions should be blended. My office will approve the blending of other services or functions if those actions will result in improved efficiencies and are designed to ensure that the unique services and supports necessary to serve consumers with very different disabilities are maintained.

Dr. Osberg has over twenty years experience in the field of mental health. He has many years experience at various levels working in private hospitals including a previous position as a hospital administrator. He has been employed by the Division of Mental Health, Developmental Disabilities and Substance Abuse Services for the past five years working with our State-operated psychiatric hospitals, most recently as a Team Leader in the State Operated Services Section. Dr. Osberg earned his undergraduate degree from North Carolina State University, a master's degree in clinical psychology from East Carolina University, and a Ph.D. in clinical psychology from the University of North Carolina at Chapel Hill.

I appreciate Dr. Osberg's willingness to step into this challenging new role. I also appreciate all of the effort that Dr. Lyall has put forth in blending the administrative and support functions that have been allied to date. I believe that with their leadership both institutions will continue to fulfill their mission of providing high quality services to the most vulnerable of North Carolina citizens with disabilities.

cc: Secretary Carmen Hooker Odom
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